

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6395

BILL NUMBER: HB 1333

NOTE PREPARED: Dec 4, 2002

BILL AMENDED:

SUBJECT: Firefighters License Plates.

FIRST AUTHOR: Rep. Adams

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill creates a Firefighter special group recognition license plate and fund. It specifies the method of distribution and appropriation for the deposits in this special group recognition fund. The bill removes a reference to an obsolete license plate and repeals the statute creating and definition referring to the license plate. It also makes conforming amendments.

Effective Date: July 1, 2003.

Explanation of State Expenditures: There would be additional expenses for the Prison Enterprise Network (PEN Products), the manufacturing arm of prison-made products, to make these plates. Their charges would be based on the number of colors in the design as shown in the schedule below:

| <u>Colors</u> | <u>Set-Up Charge</u> | <u>Price Per Plate</u> | <u>Price Per Plate If Personalized</u> |
|---------------|----------------------|------------------------|--|
| 1 | \$198.58 | \$4.30 | \$4.40 |
| 2 | \$272.16 | \$4.30 | \$4.50 |
| 3 | \$345.74 | \$4.30 | \$4.60 |
| 4 | \$419.32 | \$4.30 | \$4.80 |
| 5 | \$492.90 | \$4.30 | \$5.10 |
| 6 | \$566.48 | \$4.30 | \$5.50 |

The above prices are effective for the 2003-2005 biennium.

Additional charges include \$75 per color for any special colors that are not included in PEN's ten standard colors. If PEN Products does the artwork, there is a \$45-per-hour charge. Origination fees include the film

positives and the silk screen charges and total \$73.58 per plate design. When the art work is provided by the customer, the set-up fee is \$17.50. The fund affected for PEN Products is PEN Products Revolving Fund.

There will also be computer and accounting changes for the BMV. The fund affected for the BMV is the Motor Vehicle Highway Account (MVHA), which supports the BMV.

Explanation of State Revenues: Potential revenue from the sales of the Firefighter special group recognition license plate is not known. An administrative fee of \$15 is charged for each plate. Revenue from this fee is distributed as follows: the State License Branch Fund, which supports the license branches, receives \$9; and the Motor Vehicle Highway Account, which supports the BMV, receives \$6.

In 2001, sales of the existing 54 special plates ranged from 3 Marine Reserve plates to 72,337 Heritage Trust plates. Within this potential sales range, revenue resulting from the existing \$15 administrative fee would range from a minimum of \$45 to a maximum of \$1,085,055 for each of the new plate designs.

The bill also provides for a \$25 annual fee for the newly created fund license plates. Revenue resulting from the \$25 annual fee could range from \$75 to \$1,808,425. On June 30 of each year the Commissioner of the BMV shall distribute revenue from the new license plate to the:

- (1) Professional Firefighters Union of Indiana;
- (2) Indiana Firefighters Association; or
- (3) Indiana Fire Chief Association.

Money in the newly created fund is appropriated annually for the purposes of the proposal and at the end of a state fiscal year does not revert to the state General Fund.

It should be noted that it is possible that sales of these special plates could, to some extent, supplant the sales of existing special plates. The newly created license plates will be available after December 31, 2004.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles; Department of Correction (PEN Products).

Local Agencies Affected:

Information Sources: Becky Gillam, Sales and Marketing Director of PEN Products, 387-2020; Bureau of Motor Vehicles license plate data for 2001.

Fiscal Analyst: James Sperlik, 317-232-9866.